



# ► ILO Country Brief

September 2023

## Care at work in Nepal

### Investing in care leave and services for a more gender equal world of work

#### Background and contents

- Care work, both paid and unpaid, is at the heart of humanity, our societies and economies. Yet, despite progress in some areas, persisting challenges and gaps in care leave policies and services as well as decent work for care workers remain pronounced worldwide. To address these obstacles, the ILO has developed the ILO 5R Framework for Decent Care Work, widely used by governments, decision makers, advocacy groups and international organizations. The framework proposes a human rights-based and gender-responsive approach to public policy. The Framework creates a virtuous circle that mitigates care-related inequalities, addresses the barriers preventing women from entering paid work, and improves the conditions of all care workers and, by extension, the quality of care. In particular, gender-transformative care policies, macroeconomic and social protection policies, as well as labour protection and migration policies when well-designed have the potentials to recognize, reduce and redistribute unpaid care work; reward care workers fairly and generate sufficient care jobs to meet the increasing care demands. Such policies would also give rights to care workers, in the form of voice and representation in social dialogue and collective bargaining and would support the changing of mind-sets in valuing care as a public good.
- Investing in the care economy creates jobs with decent work, reduces gender and intersecting inequalities, and extends to the well-being and development of children. Hence, investing in the care economy and transformative care policies is not only a wise economic choice, but also a significant step towards achieving gender equality and social justice. The implementation of care policy packages should be in line with international labour standards, country-specific, pursue a life-cycle approach and include a combination of time (leave), benefits (income security), rights and services to enable carers to care and those in need of care to be cared for, while promoting gender equality and decent work for paid carers. To maximize impact, care policy packages need to be rights-based, universal and based on solidarity, representation and social dialogue.

This brief draws on the results and findings on [ILO Care at Work](#) report (ILO 2022), the [ILO Global Care Policy Portal](#) (ILO, n.d.-a) and the [ILO Care Policy Investment Simulator](#) (ILO, n.d.-b).

#### Maternity leave is a universal human and labour right

The ILO Maternity Protection Convention (No. 183) and related Recommendation (No. 191) mandate a minimum maternity leave period of 14 weeks and recommend increasing it to at least 18 weeks. Additionally, the ILO standards require the amount of cash benefits to be at least two-thirds (67 per cent) of the woman's previous earnings and recommend increasing it to 100 per cent, when possible. Finally, ILO suggests that employers should not be individually liable for the direct cost of maternity leave and that cash benefits shall be provided through compulsory social insurance or public funds or non-contributory social assistance to women who do not qualify for benefits out of social insurance.

- According to the Labour Act 2074 (2017), maternity leave lasts 98 days (14 weeks), previous to the amended of the law, maternity leave lasted 52 days (7 weeks).
- Maternity leave is fully paid for 60 days out of the total 98 days. Maternity leave cash benefits are provided by social insurance.
- The maternity leave scheme in Nepal isn't aligned with Convention No. 183.<sup>1</sup> At the 2023 ILC, the Committee on the Application of Standards, invited non-ratifying Member States to consider the possibility of ratifying Convention No. 183 and ILO Workers with Family Responsibilities Convention (No. 156) and avail themselves of technical assistance from the ILO to assess potential obstacles to ratification and effective implementation and ways to overcome them (ILO 2023a; ILO 2023b).

### Paternal leave is key to enabling men's care rights and responsibilities

Paternal leave is also a public good and a collective responsibility. Current international labour standards do not yet explicitly regulate paternal leave provisions. However, the 2009 International Labour Conference (ILC) Resolution concerning gender equality at the heart of decent work has a specific section dedicated to the role played by men in gender equality. In this respect, the resolution recognizes that paternal leave can help working fathers to be more involved in childcare, thus contributing to defeating long-standing gender stereotypes. Most recently, the 2021 ILC Resolution concerning the second recurrent discussion on social protection (social security) (ILO 2021) recognizes the importance of designing gender-responsive social protection policies, including by fostering income security during paternal leave.

- Potential fathers in Nepal can benefit from 15 days of fully paid paternal leave, introduced by the Labour Act 2074 in 2017. Paternal leave is funded through employer liability.

### Parental leave is key to enabling men's care rights and responsibilities

ILO standards call for a period of parental leave – determined by national laws – to be available to either parent after maternity leave without their having to relinquish employment and with their employment rights being protected. The provision of paid and job-protected care leave after the end of maternity and paternal leave is important for a worker's ability to reconcile care responsibilities and employment, especially when quality and affordable childcare services in line with working parents' working time are not universally available. In these cases, parental leave is a key enabler of the "continuum of care policies" that are necessary until the beginning of universal and compulsory primary education in order to protect the position of parents in the labour force. For parental leave to play this role, it should be designed in a manner that aims to preserve gender equality at work.

- According to ILO information, in Nepal, there is no statutory parental leave.

### Early childhood care and education (ECCE) services are vital to child development, women's employment and job creation

A continuum of care leave policies and care services is essential to guarantee the best early start for children and income security for families, enabling women to maintain employment participation and helping to prevent them from falling into poverty. ECCE services offer many benefits by promoting child development, creating jobs, reducing parents' unpaid care work and promoting women's employment and income over the life course. Therefore, care policies should be looked from a perspective of a continuum of care provision from late pregnancy to mandatory school age, focusing in particular on the level of integration between leave policy and childcare services.

- According to ILO information, Nepal lacks statutory national childcare and pre-primary education services and the starting age of universal and free of charge primary education in the country is five years old. This results in a **childcare policy gap of almost five years**, referring to the time lag between the moment at which maternity and paternal leave entitlements available to households come to an end and the age at which children can avail of

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<sup>1</sup> The main requirements of maternity leave legislation set out in the ILO Convention No. 183 are: (i) leave should be not less than 14 weeks; (ii) cash benefits should be not less than two-thirds of previous earnings; and (iii) maternity leave cash benefits should preferably be provided through compulsory social insurance or public funds.

childcare services or attend primary school. During this period, parents may rely on unpaid care work or family paid care solutions, such as reliance on domestic workers.

### Long-term care services are essential to ensure the right to healthy ageing in dignity

The demand for long-term care services for older persons and persons with disabilities who need care or support has been rising steeply due to increased life expectancy. ILO international labour standards on social security call for the overall and primary responsibility of care service provision to lie with the State. Funding mechanisms for long-term care services should ensure the principles of universality, adequacy, solidarity and non-discrimination, among others.

- According to ILO information, Nepal lacks statutory public long-term care service system, and there is no statutory family obligations to care for older relatives.

### The way forward is investing in transformative care policy packages in Nepal

There is a strong investment case for progressively achieving universal access to transformative and nationally designed care policy packages. ILO carried out a simulation exercise for Nepal to illustrate the investment requirements and the benefits of investing in publicly or collectively funded care package covering four care policies: childcare-related paid leave (maternity, paternity and parental leave), breastfeeding breaks, early childhood care and education services (ECCE) and long-term care services (LTC). This simulation exercise is available in the [ILO Care Policy Investment Simulator](#) (ILO, n.d.-b), launched in March 2023 as part of the [ILO Global care policy portal](#) (n.d.-a) This user-friendly online tool aims to support constituents to make simulations on how to close care policy gaps and reap the multiple benefits of investing in the care economy. The simulator covers more than 80 countries, including Nepal, and represents about 87 per cent of the world's employed population and 94 per cent of the world's GDP in 2019.<sup>2</sup>

- **The ILO estimates that investing in universal ECCE and long-term care services in Nepal will generate close to 985,000 jobs by 2035**, from which almost 280,000 corresponds to direct jobs in childcare, more than 527,000 direct jobs in long-term care, and almost 178,000 indirect jobs in non-care sectors.
- Closing the large care policy gaps in Nepal would require a progressive and sustainable **annual investment of more than US\$4 billion (around 8.2 per cent of GDP before taxes or 6.7 per cent after taxes) by 2035**, which translates into a potential annual incremental investment of 0.6 per cent of GDP in order to reach the annual investment requirement by 2035.
- Of the total net employment creation in 2035, **87 per cent of new jobs will go to women and 83 per cent will be formal employment.**
- The investment in the care policy package could **reduce the gender gap in employment rates by 5.2 percentage points**, increasing women's employment rate from 22.8 per cent in 2019 to 29.3 per cent by 2035. As to earnings, investing in care will result in **a reduction of 13.2 percentage points of the gender gap in monthly earnings**, from 30 per cent in 2019 to 16.8 per cent in 2035.
- The return on investment in Nepal will be positive. Every dollar spent on a **care package that extends adequately paid childcare-related leave as well as early childhood care and education services would result in 3.99 dollars of GDP increase.**

<sup>2</sup> The simulated care policy package for Nepal uses the ILO scenario for 2035 based on international labour standards on care policies, the literature indicating relevant plausible values, and data on high-performing countries.

### How can the ILO support?<sup>3</sup>

- Assisting with the ratification and implementation of the Maternity Protection Convention, 2000 (No. 183), the Workers with Family Responsibilities Convention, 1981 (No. 156) and other care-related international labour standards.
- Building knowledge, data and awareness of paid and unpaid care work and their impact on the world of work and changing social norms.
- Identifying the care needs of target populations and building the fiscal, regulatory, and technical capacity to design, finance and implement inclusive care policies.
- Promoting investments in the care economy, through the creation of decent employment in the care economy sectors and the promotion of skills and accreditation programmes.
- Designing rights-based programmes, through social dialogue, that address representation and decent work deficits among care workers (e.g. workers in education, including early childhood care and education; health and social work, including long-term care; and domestic work as well as workers in care cooperatives and community care workers).
- Enhancing the capacity of governments, workers' organizations, and employers' organizations to develop and contribute to care policy development and implementation.

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<sup>3</sup> For more details, please see page 297 of the ILO, 2022. [Care at Work: Investing in care leave and services for a more gender equal world of work](#)

► Legal indicators on care policies

Maternity leave											
Duration of maternity leave in national legislation	Transfer of the maternity leave period to fathers	Amount of maternity leave cash benefits (% of previous earnings)	Source of funding of maternity leave cash benefits	Ratification of Convention 183	Alignment with requirement of C183	Maternity leave cash benefits coverage for self-employed workers	Maternity leave availability for adoptive parents	Maternity leave length of protection against dismissal	Burden of proving the reasons for dismissal are not related to maternity leave	Right to return to the same or equivalent position	Prohibitions against pregnancy test in employment
14 weeks (60 days paid)	Exceptional circumstances (38 days unpaid)	100 (for 60 days); unpaid (for 38 days)	Social insurance only		Not aligned	No	No	No explicit protection	Employer not required to prove	Not guaranteed	No prohibition
Paternity leave											
Duration of paternity leave in national legislation	Amount of paternity leave cash benefits (% of previous earnings)	Source of funding of paternity leave cash benefits	Legal coverage of paternity leave for self-employed workers	Paternity leave availability for adoptive parents	Paternity leave availability for same-sex parents	Paternity leave length of protection against dismissal	Burden of proving the reasons for dismissal are not related to paternity leave	Right to return to the same or equivalent position			
15 days	100	Employer liability	No	No	No	No explicit protection	Employer not required to prove	Not guaranteed			
Parental leave											
Duration of parental leave in national legislation	Amount of parental leave cash benefits (% of previous earnings)	Source of funding of parental leave cash benefits	Legal coverage of parental leave for self-employed workers	Parental leave availability for adoptive parents	Parental leave availability for same-sex parents	Parental leave length of protection against dismissal	Burden of proving the reasons for dismissal are not related to parental leave	Right to return to the same or equivalent position			
-	-	-	-	-	-	-	-	-			
Long-term care leave				Emergency leave							
Presence of long-term care leave	Source of funding of long-term care leave cash benefits	Legal coverage of long-term care leave for self-employed workers	Presence of emergency leave in weeks	Source of funding of emergency leave cash benefits	Legal coverage of emergency leave for self-employed workers						
No	-	-	Yes paid	Employer liability	No						
Health and nursing											
Night work protection	Time off for prenatal medical examinations	Provisions on dangerous or unhealthy work	Alternatives to dangerous or unhealthy work								
No restriction	Not provided	No protection	Transfer								
Breastfeeding											
Entitlement to paid nursing breaks	Number of daily nursing breaks	Total daily nursing break duration	Months during which nursing breaks are allowed by law	Statutory provisions of working nursing facilities							
Not provided	Not provided	Not provided	Not provided	Not provided							
Childcare service system (children aged 0-2 years)						Pre-primary education system (children aged 3 years and above)					
Presence of a national childcare service system	Government support	Starting age	Guaranteed hours	Presence of national pre-primary education system	Government support	Starting age	Guaranteed hours				
No	-	-	-	No	-	-	-				
Long-term care											
Presence of long-term care service system	Family obligations to care for relatives in law	Statutory provision of in-home personal care services	Statutory provision of community day centre services	Statutory provision of residential care services	Source of funding of long-term care services	Government support for long-term care services					
No	Not found in law	-	-	-	-	-					
Childcare policy gap											
Starting age of free ECCE or primary education (months)	Starting age of free ECCE or primary education (years)	Childcare related paid leave reserved to households (months)	Childcare related paid leave reserved to households (years)	Childcare policy gap (months)	Childcare policy gap (years)	Childcare policy gap - full rate equivalent (months)	Childcare policy gap - full rate equivalent (years)				
60	5	3.7	0.3	56.3	4.7	57.4	4.8				

Sources: ILO 2022 and ILO, n.d.-a.

## ► ILO Care policy investment simulator

### Policy parameters

Projection year - ILO scenario	2019	2035
<b>Childcare-related paid leave (maternity, paternity and parental leave)</b>		
<i>Formal employees</i>		
Paid weeks maternity leave (100% average wage equivalent)	0.0	18.0
Paid weeks paternity leave (100% average wage equivalent)	0.0	2.1
Paid weeks parental leave mother (at rate)	0.0	16.0
Rate of parental leave payment (mother - % average wage)	0%	67%
Paid weeks parental leave father (at rate)	0.0	16.0
Rate of parental leave payment (father - % average wage)	0%	67%
<i>Formal self-employed</i>		
Paid weeks maternity leave (100% average wage equivalent)	0.0	18.0
Paid weeks paternity leave (100% average wage equivalent)	0.0	2.1
Paid weeks parental leave mother (at rate)	0.0	16.0
Rate of parental leave payment (mother - % average wage)	0%	67%
Paid weeks parental leave father (at rate)	0.0	16.0
Rate of parental leave payment (father - % average wage)	0%	67%
<i>Informally employed</i>		
Paid weeks maternity leave (% minimum wage equivalent)	0.0	14.0
Paid weeks paternity leave (% minimum wage equivalent)	0.0	2.1
Paid weeks parental leave mother (% minimum wage equivalent)	0.0	0.0
Paid weeks parental leave father (% minimum wage equivalent)	0.0	0.0
Rate of (any) leave payment (% minimum wage)	0%	100%
<b>Breastfeeding breaks</b>		
Minutes per day (100% average wage) - formal	0	60
Minutes per day (% minimum wage equivalent) - informal	0	60
Rate of payment (% minimum wage) - informal	0%	100%
<b>Early childhood care and education (ECCE)</b>		
% children in ECED	n/a	60%
% children in pre-primary	88%	100%
Hours per week per child in ECED	n/a	40
Hours per week per child in pre-primary	n/a	40
Child/staff ratio (ECED)	n/a	5.0
Child/staff ratio (pre-primary)	20.4	15.0
Pay level of early childhood educators (% primary teachers' wage)	n/a	100%
Pay level of early childhood assistant educators (% minimum wage)	n/a	120%
Share of early childhood educators in ECED	n/a	67%
Share of early childhood educators in pre-primary	n/a	92%
Other staff (in % of children)	n/a	4%
<b>Long-term care (LTC)</b>		
Recipient-to-carer ratio 15-64y	n/a	4
Recipient-to-carer ratio 65y+	n/a	3.00
Share of personal care workers (% of LTC workers)	n/a	67%
Pay level of personal care workers (% nurses' wage)	n/a	75%
Pay level of other LTC workers (% minimum wage)	n/a	120%

## Results

Projection year	2019	2035
<b>Key results</b>		
Required gross additional annual investment - All care policies (% GDP)	-	8.16%
Net total employment generated - ECCE and LTC (without induced effects)	-	984,901
% point change in gender employment gap (without induced effects)	-	-5.2
% point change in gender gap in monthly wages (without induced effects)	-	-13.2
ROI (ECCE and Leave): US\$ GDP increase per US\$ spent	-	3.99
<b>Total - all care policies</b>		
<b>Investment requirements</b>		
Baseline public spending ECCE and LTC (% GDP)	0.08%	0.06%
Baseline public spending health and primary and secondary education (% GDP)	4.06%	
Gross additional annual investment (NCUm)	-	504,075
Gross additional annual investment (US\$m)	-	4,466
Gross additional annual investment (% GDP)	-	8.16%
Annual incremental investment to projected year (% GDP)	-	0.63%
% Gross investment recouped in tax revenue	-	18%
Net additional annual investment (% GDP)	-	6.70%
Net additional annual investment (with induced effects) (% GDP)	-	5.74%
<b>Return on Investment (ROI)</b>		
ROI (ECCE and Leave): US\$ GDP increase per US\$ spent	-	3.99
<b>Job generation</b>		
Net total employment generated (without induced effects)	-	984,901
% direct	-	82%
% women	-	87%
% formal (all)	-	83%
% formal (women)	-	92%
Net total employment generated (with induced effects)	-	1,539,170
% direct	-	52%
% women	-	72%
% formal (all)	-	56%
% formal (women)	-	73%
Net direct employment generated (all formal)	-	807,190
% women	-	96%
Net indirect employment generated	-	177,712
% women	-	43%
% formal (all)	-	7%
% formal (women)	-	7%
<b>Gender equality in employment and wages</b>		
Employment rate (all) (without induced effects)	35.0%	39.2%
Employment rate (women) (without induced effects)	22.8%	29.3%
Employment rate (men) (without induced effects)	50.4%	51.7%
Employment rate (all) (with induced effects)	35.0%	41.5%
Employment rate (women) (with induced effects)	22.8%	31.2%
Employment rate (men) (with induced effects)	50.4%	54.7%
Maternal employment rate (25-54y)	29.5%	33.5%
Gender gap in monthly wages (without induced effects)	30.0%	16.8%
Gender gap in monthly wages (with induced effects)	30.0%	17.6%

Projection year		2019	2035
<b>Childcare-related paid leave (maternity, paternity and parental leave)</b>			
<b>Investment requirements</b>	Gross additional annual investment - all employed (NCUm)	-	26,586
	Gross additional annual investment - all employed (US\$m)	-	236
	Gross additional annual investment - all employed (% GDP)	-	0.430%
	Maternity leave - all employed	-	0.318%
	Paternity leave - all employed	-	0.038%
	Parental leave (mothers) - all employed	-	0.036%
	Parental leave (fathers) - all employed	-	0.038%
	Gross additional annual investment - informally employed (% GDP)	-	0.288%
	Maternity leave - informally employed	-	0.257%
	Paternity leave - informally employed	-	0.030%
	Parental leave (mothers) - informally employed	-	0.000%
	Parental leave (fathers) - informally employed	-	0.000%
	Annual incremental investment to projected year (% GDP)	-	0.033%
<b>Return on Investment (ROI)</b>	ROI (ECCE and Leave): US\$ GDP increase per US\$ spent	-	3.99
<b>Job generation</b>	Net induced employment generated	-	32,135
	% women	-	45%
	% formal	-	7%
<b>Breastfeeding breaks</b>			
<b>Investment requirements</b>	Gross additional annual investment (NCUm)	-	4,371
	Gross additional annual investment (US\$m)	-	39
	Gross additional annual investment (% GDP)	-	0.071%
	Annual incremental investment to projected year (% GDP)	-	0.005%

Projection year		2019	2035
<b>Early childhood care and education (ECCE)</b>			
<b>Investment requirements</b>	Baseline spending ECCE (% GDP)	0.08%	0.06%
	Baseline spending primary and secondary education (% GDP)	2.96%	
	Gross additional annual investment (NCUm)	-	200,846
	Gross additional annual investment (US\$m)	-	1,779
	Gross additional annual investment (% GDP)	-	3.25%
	Annual incremental investment to projected year (% GDP)	-	0.25%
	Net additional annual investment (% GDP)	-	2.60%
	Net additional annual investment (with induced effects) (% GDP)	-	2.17%
	<b>Return on Investment (ROI)</b>	ROI (ECCE and Leave): US\$ GDP increase per US\$ spent	-
<b>Job generation</b>	Net total employment generated (without induced effects)	-	317,911
	% direct	-	88%
	% women	-	84%
	% formal (all)	-	89%
	% formal (women)	-	94%
	Net total employment generated (with induced effects)	-	507,274
	% direct	-	55%
	% women	-	70%
	% formal (all)	-	58%
	% formal (women)	-	73%
	Net direct employment generated (all formal)	-	279,878
	% women	-	90%
	Net indirect employment generated	-	38,033
	% women	-	46%
	% formal (all)	-	6%
% formal (women)	-	6%	
<b>Gender equality in employment and wages</b>	Employment rate (all) (without induced effects)	35.0%	36.3%
	Employment rate (women) (without induced effects)	22.8%	24.9%
	Employment rate (men) (without induced effects)	50.4%	50.9%
	Employment rate (all) (with induced effects)	35.0%	37.1%
	Employment rate (women) (with induced effects)	22.8%	25.5%
	Employment rate (men) (with induced effects)	50.4%	51.9%

Projection year		2019	2035
<b>Long-term care (LTC)</b>			
<b>Investment requirements</b>	Baseline spending LTC (%GDP)	0.00%	0.00%
	Baseline spending health (%GDP)	1.10%	
	Gross additional annual investment (NCUm)	-	272,272
	Gross additional annual investment (US\$m)	-	2,412
	Gross additional annual investment (% GDP)	-	4.41%
	Annual incremental investment to projected year (% GDP)	-	0.34%
	Net additional annual investment (% GDP)	-	3.60%
	Net additional annual investment (with induced effects) (% GDP)	-	3.07%
	<b>Job generation</b>	Net total employment generated (without induced effects)	-
% direct			79%
% women		-	88%
% formal (all)		-	81%
% formal (women)		-	91%
Net total employment generated (with induced effects)		-	999,761
% direct		-	53%
% women		-	74%
% formal (all)		-	56%
% formal (women)		-	74%
Net direct employment generated (all formal)		-	527,312
% women		-	100%
Net indirect employment generated		-	139,678
% women		-	42%
% formal (all)		-	8%
% formal (women)	-	8%	
<b>Gender equality in employment and wages</b>	Employment rate (all) (without induced effects)	35.0%	37.8%
	Employment rate (women) (without induced effects)	22.8%	27.3%
	Employment rate (men) (without induced effects)	50.4%	51.2%
	Employment rate (all) (with induced effects)	35.0%	39.2%
	Employment rate (women) (with induced effects)	22.8%	28.4%
	Employment rate (men) (with induced effects)	50.4%	53.0%

Sources: ILO n.d.-b.

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This note was funded by the Swedish International Development Cooperation Agency (SIDA) and the ILO Care Policy Investment Simulator funded by the Bill & Melinda Gates Foundation. Its contents do not necessarily reflect the positions or policies of SIDA and the foundation.



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